



JAMES A. NOYES, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

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IN REPLY PLEASE
REFER TO FILE:

PJ-2

August 1, 2002

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**LAC+USC MEDICAL CENTER REPLACEMENT PROJECT
AWARD VENDOR CONTRACT
SPECS. 6550; C.P. 70787
SUPERVISORIAL DISTRICT 1
3 VOTES**

**JOINT RECOMMENDATION WITH THE CHIEF ADMINISTRATIVE OFFICER AND THE
DIRECTOR OF HEALTH SERVICES THAT YOUR BOARD:**

1. Award and authorize the Director of Public Works to execute a sole-source vendor contract in the amount of \$814,626 to Silvertown UK, Ltd., for the production of base isolation bearings for the Diagnostic and Treatment Building component of the LAC+USC Medical Center Replacement Project, funded by Federal and State disaster monies, and establish the effective date following Board approval.
2. Authorize the Director of Public Works to issue change orders up to a maximum of 15 percent of the approved contract value, upon review and approval of the Chief Administrative Office, for unforeseen conditions and other potential changes to the work.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Base isolation bearings are an integral component of the structural system for the Diagnostic and Treatment Building. The bearings isolate the building from ground movement associated with seismic events and allow the facility to remain fully operational following a major earthquake.

Production, testing, and delivery of the bearings is anticipated to take approximately seven months to complete. In addition, the recommended vendor agreement for the bearings requires four post-delivery inspections and a final certification by the Structural Engineer of Record that the bearings meet all design requirements. Once the bearings have been received, inspected, and certified, Public Works will turn them over to the contractor for installation.

Given the lead time to complete delivery and inspection of the bearings and the potential for delays in overseas transportation, we anticipate that the general contractor will not have sufficient time following the Notice to Proceed for construction to procure the bearings without disrupting the expected sequence of construction.

In order to address unforeseen conditions and other potential changes to the work, it is also recommended that the Director of Public Works be authorized to supplement the contract up to a maximum of 15 percent, upon review and approval of the Chief Administrative Office.

Approving the recommended actions will allow delivery and inspection of the bearings in a time frame that will not impact the project's construction schedule or budget.

Implementation of Strategic Plan Goals

The recommended actions are consistent with the County's Strategic Plan Goal of Fiscal Responsibility because it is part of an investment in public infrastructure.

FISCAL IMPACT/FINANCING

On July 7, 1998, your Board approved a total project budget of \$818,000,000. The estimated construction contract cost range for the work is \$392,000,000 to \$539,000,000. Sufficient funds are available in the approved total project budget for this work. The Project Schedule and Budget Summary are included in the enclosure.

Financing for the project is currently being provided through the issuance of Bond Anticipation Notes and State and Federal disaster assistance monies. Future project costs will be financed by the County through the issuance of both medium- and long-term bonds and the use of State and Federal earthquake disaster assistance funds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

A vendor contract, in the form previously approved by County Counsel, will be used. The contract includes clauses for termination of services upon prior written notice and renegotiation.

Since Silvertown UK is a British firm with no employees in the United States, the specific contract language requiring compliance with the Greater Avenues for Independence Program, Los Angeles County Code Chapter 2.200 (Child Support Compliance Program), hiring qualified displaced County employees, and Federal Earned Income Credit law have been removed. The contract will contain provisions requiring the vendor to report solicitations of improper consideration by County employees and allowing the County to terminate the contract if it is found that the contractor offered or gave improper consideration to County employees.

ENVIRONMENTAL DOCUMENTATION

On June 6, 2000, your Board certified the Environmental Impact Report/Environmental Assessment for the LAC+USC Medical Center Replacement Project. On June 7, 2000, the Federal Emergency Management Agency issued a Finding of No Significant Impact for the project and approved the EIR/EA.

CONTRACTING PROCESS

The California Building Code, Section 1660A, "Design and Construction Review," establishes strict criteria for manufacturing of base isolation bearings. First, a vendor must be selected to aid the Architect of Record in the design and testing of prototype bearings. Following a qualifications-based selection process in 1999, the project architects, HOK+LBL Associated Architects, and its consultant, KPFF Consulting Engineers, chose Silvertown UK to provide technical assistance for the design, fabrication, and testing of prototype base isolation bearings.

In November 2000, under a proceed order from HOK+LBL, Silvertown began design support services and started the fabrication and testing of prototype bearings. These bearings, made of a rubber-like material and commonly referred to as "base-isolators," are similar to those used in recent years for construction of the Emergency Operations Center and the Martin Luther King, Jr./Drew Medical Center Trauma Center. The data generated from the prototype bearing design and production process was required to finish design of the Diagnostic and Treatment Building and obtain the Office of Statewide Health Planning and Development approval of the plans. Completion of this work and approval of the prototype bearings design by OSHPD was completed in May 2002.

Following this approval, the bearings become proprietary and only the vendor/manufacture of the prototype bearings, Silvertown UK, is approved to fabricate and test the production bearings to be used in construction. Therefore, we propose to contract with Silvertown on a sole-source basis to fabricate, ship, store, and deliver the bearings to the jobsite where they will be installed by the contractor with technical support from Silvertown.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

We anticipate no impact on current services related to the recommended actions. However, during construction there may be limited impacts as a result of construction activities. The existing hospital will remain open throughout the entire construction period. The project specifications require the contractor to comply with the provisions of the previously approved EIR/EA Mitigation Monitoring and Reporting Program, which were established to minimize the impacts of construction on the hospital's patients and staff as well as residents and businesses in the surrounding area.

The Honorable Board of Supervisors
August 1, 2002
Page 5

CONCLUSION

Please return one adopted copy of this letter to the Chief Administrative Office (Capital Projects), Health Services, and Public Works.

Respectfully submitted,

JAMES A. NOYES
Director of Public Works

DAVID E. JANSSEN
Chief Administrative Officer

THOMAS L. GARTHWAITE, M.D.
Director of Health Services

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Enc.

cc: County Counsel
Department of Public Social Services (GAIN Program)
Office of Affirmative Action Compliance

August 1, 2002

ENCLOSURE

**LAC+USC MEDICAL CENTER REPLACEMENT PROJECT
AWARD VENDOR CONTRACT TO SILVERTOWN UK, LTD.
SPECS. 6550; C.P. 70787**

I. PROJECT SCHEDULE

Project Activity	Scheduled Completion Date	Revised Completion Date	Date Completed
Board Award Design Contract	07/98		07/98
Construction Documents	09/00		09/00
Jurisdictional Approvals	05/02		05/02
Award of Construction	09/02		
Construction Start	10/02		
Acceptance of Project	02/07		

II. PROJECT BUDGET SUMMARY

Budget Category	Current Board Approved Budget	Impact of this Action	Revised Project Budget
Land Acquisition	\$ 12,300,000	\$ 0	\$ 12,300,000
Make Ready (Bid Package-1A)	\$ 12,000,000	\$ 0	\$ 12,000,000
Construction			
Site Preparation	\$ 11,813,750	\$ 0	\$ 11,813,750
Remaining Construction Work			
(a) Base Bid	489,931,250	0	489,931,250
(b) Contingency (7.4 percent)	36,255,000	0	36,255,000
Subtotal	\$ 526,186,250	0	526,186,250
Total	\$ 538,000,000	0	\$ 538,000,000
Equipment (Medical, Telecommunication/Data, and FFE)	\$ 102,100,000	\$ 0	\$ 102,100,000
Architectural/Engineering Services	\$ 52,100,000	\$ 0	\$ 52,100,000
Consultants and Vendor Services	\$ 75,600,000	\$ 0	\$ 75,600,000
Permits and Fees	\$ 5,700,000	\$ 0	\$ 5,700,000
County Services	\$ 20,200,000	\$ 0	\$ 20,200,000
TOTAL	\$ 818,000,000	\$ 0	\$ 818,000,000